

## Further Education Corporation

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### Approved Minutes

*Minutes of the Meeting held on Monday 17 March 2008 at 6.10 pm.*

Present: Mr P Pickford (Chairman)  
Mr M Baker  
Dr R Gray  
Mrs J Hodges  
Ms R Klass  
Ms R Merrett  
Mr D O'Halloran  
Ms C Piper (from Item 7.5)  
Mr M Smith  
Ms K Stevenson (from Item 2)  
Mr P Stafford

In Attendance: Professor N South (University of Essex – Observer)  
Mr A McGarel (Director of Finance) (Items 9,10 and 12)  
Mr N Davis (Director of Quality and Planning) (Item 7)  
Ms Carol Anson-Higgs (Director of Business Development) (Item 11)  
Mr P Groome (Director of Resources) (Item 12)

#### 1. Appointment of new Student Member (Paper FEC.08.01)

On the recommendation of the Search Committee, the Board passed the following motion:

##### **MOTION**

That Ms Kamesha Stevenson be appointed to the Corporation as a Student Member with effect from 17 March 2008 until 31 July 2008, subject to her remaining a student of the College.

Ms Stevenson then joined the meeting.

#### 2. Apologies for Absence

Apologies for absence were received from Mr J Bruce, Cllr Mrs S Carr, Mr Y Goolamali and Mr L Privett.

Mr S Buggle was not present.

#### 3. Urgent Business

- a. The Principal and Chief Executive reported that the College has objected to a licensing application by Hooters for premises adjacent to the Queens Road Studio.

- b. A guest speaker is being sought for the college's HE Graduation Ceremony in October and the Principal and Chief Executive asked members for suggestions of a suitable person to fulfil that role.

#### **4. Minutes of the Meeting of Monday 3 December 2007**

The Minutes of the Meeting held on Monday 3 December 2007 were **APPROVED** and **SIGNED** by the Chairman.

#### **5. Matters Arising from the Minutes**

OfSTED inspection: The Principal and Chief Executive reported that an inspection is due but no word has yet been received. It is looking likely now that it may not occur until next academic year.

#### **6. Strategic Development in South Essex**

The Principal and Chief Executive gave a verbal update in connection with strategic developments in South Essex. She reported that a formal Options Appraisal under LSC auspices at Thurrock & Basildon College has been commenced and the Board noted a letter from the Chairman of the Governors of that College in this connection and also a letter from their Principal.

The Board resolved that the College's response to this matter should be treated as a confidential item under the Instrument and Articles and a separate minute has been prepared and attached to these minutes.

#### **7. Quality Matters (Paper FEC.08.02)**

The Director of Quality and Planning presented and spoke to a number of papers in connection with the College's Quality Procedures.

##### **7.1 Annual Health & Safety Report 2007**

The Board **RECEIVED** the College Health and Safety Report for 2007, which summarised the management of health & safety in the College and the business of the Health and Safety Committee during 2007. The Clerk mentioned that the governance of Health & Safety is a current issue at present and the draft programme for the next Board Development Day on 9 June 2008 includes a session on this topic which will be presented by the Director of Quality & Planning, assisted by the Clerk.

Nigel Davis reported on the significant contribution being made by the College Health & Safety Manager who has now been in post for about a year.

It was clarified that, whilst the Director of Quality & Planning has line management responsibility for Health & Safety, the Principal and Chief Executive has principal management responsibility and the Board has a governance role.

It was noted that the LSC's requirements in this area especially for work placements for our students can be rather bureaucratic.

## 7.2 Autumn Learner Survey (FE)

The Board **RECEIVED** and **DISCUSSED** the outcomes of the Autumn Learner Survey (FE).

Members noted the improved response to the Survey compared to last year (82% as against 76%) and the positive comments made therein resulting in a higher satisfaction level compared to last year and to national benchmarks. In total, 5124 learners completed the survey, a 4% increase from this time last year.

It was noted that, whilst the College is popular due to its location, it is becoming increasingly popular for the quality of its provision.

Nigel Davis referred to the responses in respect to advice and guidance being provided to students following Member comments last year. It remains satisfactory but is not measurably higher (3.3).

## 7.3 Key Performance Indicators

The Board **RECEIVED** and **DISCUSSED** the College's Performance against the Key Performance Indicators embodied in the College Strategic Plan. It is expected that the FE funding target will be achieved for 2007-08 as there is a relatively higher number of FTEs out of the overall enrolments. It is also expected that the target for lesson observations will be met (currently 68% against target of 75%).

## 7.4 College Self-Assessment Report 2006-07

The Board **APPROVED** the following motion:

### **MOTION**

That the Board formally approves the College Self-Assessment Report for 2006-07 as set out in the Paper FEC.08.02

It was noted that the Board had considered the draft SAR at their last meeting in December 2007 and had provided feedback to the Director of Quality to enable the report to be submitted to the LSC in order to meet the submission deadline.

## 7.5 College Quality Strategy

The revised Instrument & Articles for Colleges issued by the Department for Innovations, Universities and Skills in December 2007 and which came into force on 1 January 2008, has a new requirement (Article 3(1)(b)) that the Corporation shall be responsible for 'approving the quality strategy of the institution'.

Members received a document prepared by the Director of Quality & Planning summarising the quality approach in the College and, after discussion, **APPROVED** the following motion:

## **MOTION**

That the Board formally approves the College Quality Strategy, as set out in Paper FEC.08.02.

It was noted that this strategy will be next reviewed as part of the Strategic Planning Process leading to the next College Strategic Plan which will cover the years 2010-2013.

### **8. Partnership for HE in South Essex (Paper FEC.08.03)**

The Board **NOTED** the report on the work of the Management Board of the Partnership for Higher Education in South Essex and the development of University of Essex, Southend.

### **9. College Finances (Paper FEC.08.04)**

The Director of Finance presented a report on the College Finances for the month of January 2008, as these accounts had not been considered by Policy & Resources Committee, which did not meet in February 2008. This was supported by a PowerPoint presentation, a copy of which was tabled and is included in the agenda papers. He also reported on the investments position, the forecast outturn for the year to 31 July 2008, projected FE income for the 2008-09 year, the College procurement review and planning and funding generally for 2008-09.

#### **9.1 College Finances – January 2008**

For the month, the College generated income of £3,104,000 (£150,000 over budget) and incurred expenditure of £3,013,000 (£158,000 over budget). The resultant surplus of £91,000 brought the year to date surplus to £602,000, against a budgeted surplus of £472,000.

Anthony highlighted key income factors as follows:

- Variation to financial memorandum in year of an additional £750K or 200 FTEs
- Exceeding original FE recruitment targets
- HE income lower than budget (less enrolments)
- WBL higher in year than budgeted (increased contract negotiations)

Members were concerned that HE enrolments were not as high as hoped. The Principal and Chief Executive noted that the targets set were ambitious but, even allowing for this, the numbers were somewhat disappointing and the curriculum offer and recruitment process are being reviewed. There still is an issue in raising aspirations amongst vocational level 3 students from the standpoint of progression.

The key expense items noted related to higher exam fees, savings on depreciation and savings in premises costs due to renegotiated utility contracts. Commercial services are, taken as a whole, doing better than budget (£6K profit against £28K loss) but there are individual activity variances.

Key accounting ratios are solid with the current ratio currently 1.6 and expected to be 2.0 at the year end. Fixed assets are slightly lower than budgeted but this is principally phasing and will be reversed by year end.

## **9.2 Investments position**

The Board **NOTED** that investment income of £26,000 had been earned in January and the amount earned in the year to date totalled £172,000 compared to the budget of £130,000.

## **9.3 Forecast outturn for 2007-08**

The Director of Finance reported that the forecast outturn for 2007-08 is a surplus of £918K as against the original budget of £737K. The key reasons for the expected better outturn are as follows:

- FE mainstream variation to contract adds £700K of income
- WBL funding – additional £300K delivery agreed
- HE income - £400K under budget
- Projects and grants £600K over budget

The forecast additional income of £1.3 million is offset by added costs estimated to be around £1.1 million, especially, but not entirely, to do with more staff costs to deliver the additional funded provision noted above.

It was noted that £400K is expected to be earned from FORD EDAP on account of Business Support initiatives which have been developed with them.

The control of staff costs has not been at the expense of worsening staff turnover – this has actually improved.

## **9.4 Projected FE income outturn for 2007-08 and funding allocation bid for 2008-09**

The Director of Finance gave a verbal report on the projected FE 2007-08 income outturn and the 2008-09 funding allocation bids, which is based on LSC indicative numbers which they have submitted to the College. However, the LSC figures were not wholly accurate and the Director of Finance tabled a revised internal College document to illustrate the position as it is now seen. These differences have been discussed and agreed with the LSC.

## **9.5 College procurement review and initiatives**

Anthony reported that the pilot has started in College with certain budget holders (for certain purchases with approved suppliers) being issued with Government procurement cards to use for high volume low value purchases and it is hoped to roll it out across the College next year. The overall aim is to reduce purchase processing costs in the College which are disproportionately affected by large numbers of small value purchases.

## 9.6 Planning and funding for 2008-09

The level of funding has not yet been advised by the LSC for next year and it is not expected until the end of May. Discussions so far with the LSC (positive meeting last week) are on the basis of expected learner numbers. It was noted that the LSC target number for Full Level 2 students next year of 1118 is not achievable – the increase is excessively high (there are about 250-300 expected this year) but we have been advised that these targets come from central Government via regional office. It remains under discussion.

The overall headline targets appear reasonable but, until the funding which those numbers attract are seen, a view on financial viability cannot be drawn at this stage.

The Board **NOTED** the report on College Finances covering the items 9.1 to 9.6 listed above.

## 10. Collaborative Provision 2007-08 (Paper FEC.08.05)

The Committee **APPROVED** the programme of collaborative provision for 2007-08, within the previously approved budget.

It was noted that the value of the collaborative provision of £1,004,000 slightly exceeded the 5% guideline suggested by the LSC – it amounts to 5.5% of the FE contract for 2007-08 – but it seems likely that the current recruitment by collaborative partners indicates the actual figure will be closer to 5%.

## 11. Employer Engagement (Paper FEC.08.06)

The Board received a written report from the Director of Business Development on Employer Engagement over the past twelve months, supported by a PowerPoint presentation. Copies of the slides for this presentation, which concentrated on the strategic aspects of the activity, have been attached to the papers for this meeting.

The strategy revolves around four aspects:

- Work placements of students into businesses
- Involving industry experts in curriculum development
- Joint activities between the College and local businesses (Social Responsibility)
- Provision of Training Needs Analysis and offer of skills training options by the College to businesses

The College is looking in the future to offer Apprenticeships in its own right to respond to the Government's agenda, in addition to the provision through existing NOVA providers. There has been a steer by the local LSC in this regard.

Carol drew members' attention to the capability which has built up in the College to meet the Employer Engagement activity and its expansion. She explained the vision for the Business Development area and stressed that there is no complacency. She acknowledged the underlying requirement that this area must be income generating, built upon the notion that the College must become first choice for Thames Gateway businesses.

She was congratulated on her excellent paper and presentation. She commented on the scenario for the development of this provision over the next few years. She is confident that the platform has been laid for improvement and understands that progress needs to be accelerated now.

The Board **RECEIVED** and **DISCUSSED** the report on engagement with employers.

## **12. Estates Matters (Paper FEC.08.07)**

The Director of Resources presented a paper on current estates issues including projects being considered for the next academic year and beyond. The Director of Finance assisted on the financial implications of these new projects. There was particular focus around future accommodation needs in Southend to facilitate delivery of provision to the increased student numbers.

The forthcoming needs of the College were dealt with under five headings:

- Current estate (Luker Road, East Street, Queens Road, Princess Caroline House, Wellstead Gardens and Crown House, Grays)
- Interim accommodation – Southend
- Interim accommodation – Thurrock
- New build - Southend
- New build – Thurrock

These considerations are all driven by the current estate being at capacity and expected further student growth projections, which for next year involve some 160 FTEs due to inbuilt growth. Applications for next year remain high. It was noted that Princess Caroline House has provided some extra capacity on an interim basis but there is no scope for further capacity there and the quality of the student experience must be kept in focus.

He also commented on progress with regard to the LSC Competition in Thurrock where new accommodation is required in Grays in order to begin delivering the provision for the 2008-09 academic year. 100% funding for a temporary build is being sought from the LSC on advice of the LSC National Capital Committee and this is likely. Paul's paper further explained the progress to date. It is felt it will be useable by 1 January 2009.

Management intend to present Applications in Principle for new builds in both Thurrock and Southend to the LSC in Autumn 2008 to ensure the College's capital needs are secured before the LSC goes out of existence in 2010. Applications in Detail would be lodged in October 2009. Intended commissioning dates for these new builds is 2012.

Members noted that the new Thurrock build will be 100% funded by the LSC but any new build in Southend would have to have a contribution from the College and there will therefore be cash flow challenges, particularly with the LENNARTZ rule changes on VAT, recently announced by Government.

The Board **DISCUSSED** and **RECEIVED** the report on estates matters.

## **13. Principal and Chief Executive's Report (Paper FEC.08.08)**

The Principal and Chief Executive's Report was **NOTED**.

## 14. Corporation Matters (Paper FEC.08.09)

### 14.1 Revised Instrument & Articles of Government, Standing Orders and Scheme of Delegation

The Clerk presented the revised Instrument & Articles of Government, which was published by the Department for Innovation, Universities and Skills on 21 December 2007 and came into force on 1 January 2008. This applies to all FE Corporations. The Policy & Resources Committee were apprised of the various amendments to the previous I&A.

The Board **NOTED** the new Instrument and Articles of Government.

The Clerk also presented proposed revisions to the College's Scheme of Delegation and Standing Orders, which had been considered and recommended for approval by the Board at the last meeting of the Policy & Resources Committee.

The Board **APPROVED** the revisions to the Scheme of Delegation and Standing Orders, on the recommendation of the Policy & Resources Committee.

### 14.2 Board Development Day – 9 June 2008

A draft programme for the next Board Development Day scheduled for 9 June 2008 was tabled and **NOTED**.

A member requested that a future Board Development Day could include a session for governors on using the College intranet.

### 14.3 Report on the National Governors' and Clerks' Conference 2008

The Board **NOTED** the Report on the above conference held in Manchester on 5 to 7 March 2008 and attended by the Chairman of the Audit Committee and the Clerk on behalf of the Corporation.

### 14.4 Corporation Meeting Planner 2008-09

The Board **AGREED** the Corporation Meeting Planner for the next academic year, supported by a note of the anticipated recurring items of business for that year.

### 14.5 Grievance Procedure for Senior Post Holders

The Board **APPROVED** the following motion on the recommendation of the Policy & Resources Committee:

#### **MOTION**

The Board formally approves the Grievance Procedure for Senior Post Holders, as set out in Paper FEC.08.09.

## 15. Reports from Corporation Committees (Paper FEC.08.10)

The Board **RECEIVED** reports on the meetings of the Policy & Resources Committee, the Audit Committee and the Academic Board, which have taken place since the last full meeting of the Corporation.

On the recommendation of the Audit Committee, the Board **APPROVED** the following motion:

### **MOTION**

That MacIntyre Hudson be re-appointed financial statements and regularity auditor for the financial year 2008-09.

## 16. Forthcoming Events (Paper FEC.08.11)

The Board received a note of forthcoming events.

## 17. Management Matters (Paper FEC.08.12)

### 17.1 Director of Quality & Planning

The Principal and Chief Executive advised that Nigel Davis, director of Quality & Planning, is retiring at the end of this academic year. A replacement has been appointed and he will start in mid June so there will be a handover period. He is a qualified OfSTED inspector and is currently in post at Braintree College. He comes highly recommended. The Vice-Chairman commented that he had served on the appointment panel for this post.

### 17.2 Project Director – Thurrock Campus

The Principal and Chief Executive advised that an appointment is imminent. It will be via an agency contract (similar to the clerking arrangements) and the individual appointed will be self-employed. The likely appointee is very experienced in FE capital project management.

On the advice of the Clerk, the Board **RESOLVED** to require the two Student Members to withdraw from the meeting whilst the next item (17.3) was considered, as provided by Clause 14(9) (b) relating to student members of the Instrument, as the subject matter of the item related to future staffing matters in the College.

Ms Merrett and Ms Stevenson then left the meeting.

### 17.3 Academic Restructuring

The Board determined this to be a confidential item under the Instrument and Articles and a separate paper and minute in connection with it has been prepared and attached to these minutes.

## 18. Date of Next Meeting

Monday 2 July 2008 at 6.00 pm.

There being no further business, the meeting concluded at 8.45 pm.